GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:910
ANSWERED ON:23.11.2000
STAND ALONE REFINERY
UMMAREDDY VENKATESWARLU

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the economic status of the joint sector MRPL, Mangalore Refinery;

(b) whether joint sector stand alone refineries have not given any benefits to withstand the gradual liberalisation of the oil sector;

(c) if so, the reasons therefor; and

(d) the steps Government propose to take to protect the investment of small shareholders in such projects?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) The Company has suffered heavy financial losses during the years 1999 - 2000 and 2000 - 2001 (upto 30.9.2000).

(b) to (d) As part of the deregulation in the oil sector, following steps have been taken by the Government:-

Applicable for all refineries:-

(i) Dismantling of Administered Pricing Mechanism for refineries from 01.04.1998.

(ii) Deregulation of marketing of petroleum products excepting Motor Spirit, High Speed Diesel, Aviation Turbine Fuel, Liquefied Petroleum Gas and Kerosene.

(iii) Oil companies having underlying exposure in crude / petroleum products have been allowed to hedge the commodity price risks.

Applicable for Joint Sector / Private Sector Refineries:-

(i) Permission has been granted to purchase crude requirements on their own.